

## **WOMEN AND THE PRESIDENT'S BUDGET: FISCALLY RECKLESS, MORALLY IRRESPONSIBLE, AND A FAILURE OF LEADERSHIP**

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Democrats believe that on every issue our nation faces, it is our responsibility to ensure that the policies we pursue are consistent with the values we cherish. The Bush Administration's 2006 budget fails in every respect. It is fiscally reckless, adding trillions to the deficit over the next 10 years. It is morally irresponsible, slashing funding for key homeland security, veterans benefits, health care, and education programs. And the Bush Administration's failure to include details of its Social Security privatization proposal and the cost of the war in Iraq is a clear failure of leadership. Democrats are fighting to restore fiscal responsibility and hold those in power responsible for their actions. We are committed to upholding the key values that are the foundation of a strong and secure middle class: national security, prosperity, community, fairness, accountability and opportunity.

**Fails to make healthcare affordable for middle class families.** There are over 20 million women without health insurance and millions more who can barely afford to pay their premiums, yet the Bush budget does nothing to hold down health care costs. It includes \$74 billion for a \$1,000 tax credit for individual coverage that covers only 5 percent of the 45 million uninsured, and Health Savings Accounts that help only the healthy and wealthy.

**Includes a net cut in Medicaid of \$45 billion, which would have a particularly devastating impact on women.** The Bush budget slashes Medicaid by a net total of \$45 billion over the next 10 years. This drastic cut in Medicaid would have a particularly damaging impact on women, because women account for over 70 percent of adult Medicaid beneficiaries. In response to the \$45 billion cut, states would be forced to cut Medicaid eligibility and/or eliminate or cap Medicaid services in order to recover from the loss of federal funds. The President's budget also proposes giving states more flexibility in reducing Medicaid benefits for certain populations. Allowing states to make changes in Medicaid coverage without first applying for a waiver, as proposed in the President's budget, would leave all Medicaid services and populations vulnerable to reductions. Low-income parents, mostly women, are often the first targets for Medicaid cuts. Indeed, with these benefits and services at risk, women might be forced to forego health care until it is direly needed. A reliance on emergency care would be an expensive proposition not only for states and counties but also for these women and their families.

**Increases child care waiting lists by hundreds of thousands.** The Child Care and Development Block Grant provides child care assistance for low income families and early education services to our country's most disadvantaged children. In many states, waiting lists for this assistance are tens of thousands of families long. The Bush budget freezes funding for this program for the fourth consecutive year and cuts child care assistance by 300,000 children by FY 2010.

**Cuts funding for small business programs, which are of particular importance to women small business owners.** The President's proposed budget for the Small Business Administration for FY 2006 is \$593 million, which is \$17 million below FY 2005 funding and \$164 million or 22 percent below FY 2004 funding. The Bush budget once again includes the proposal it successfully rammed through Congress last year of providing no appropriations for the SBA's largest small business loan program (7(a)loans), running the program solely through fee increases, thereby substantially raising the cost for small businesses and lenders. There are currently more than 7 million small businesses owned by women and these cutbacks in federal support for small businesses will have a particular impact on women business owners. In addition, the Bush budget cuts \$333,000 from Women's Business Centers, funded under the Small Business Administration.

**Cuts Violence Against Women programs.** The Bush budget provides only \$363 million for the Violence Against Women Act programs -- a cut of \$19 million, or 5 percent, below this year's enacted level.

**Consolidates and slashes Community Development Block Grant, which will severely impact low-income women and their families.** The Bush budget consolidates 17 different community development programs, including the Community Development Block Grant, Empowerment Zones, and Community Services Block Grant. While consolidating these programs, it also slashes their funding by \$2 billion – a 30 percent cut. The Community Development Block Grant funds housing and other support services, including domestic violence programs, upon which hundreds of thousands of low-income women and their families rely.

**Eliminates Women's Educational Equity Act programs.** The Bush budget completely eliminates Women's Educational Equity Act programs, which fund activities promoting educational equity for girls and women.

**Eliminates vocational education.** The Bush budget completely eliminates the \$1.3 billion vocational education program, destroying innovative career and technical education programs. This would result in huge cuts in funding currently available to states to provide programs that train women and girls for jobs in careers from which they have traditionally been excluded, among other things.

**Breaks the promise of a better education.** More than 10 percent of young women drop out of high school, yet the President's budget eliminates funding for dropout prevention. The President's budget also fails to provide \$12 billion in promised funding for education – meaning that 3 million children will not get the help with reading and math they were promised.

**Closes the door on a college education.** Only 19 percent of women finish their bachelor's degree. Despite nationwide increases in the cost of college, the Bush Administration once again proposes inadequate funding for Pell Grants and completely eliminates funding for Perkins Loans.

**Undermines after-school programs.** The Bush budget provides only half of the funding promised to after-school services, meaning that 1.7 million children who were promised these services will not get them.

**Guts Head Start.** Once again, the President's budget proposes turning Head Start into a block grant that eliminates comprehensive educational, health, and nutrition services that children in this program currently receive. In addition, the budget freezes Head Start funding at this year's level, meaning that 25,000 children will have to be cut from Head Start next year – despite the fact that Head Start is currently serving only 60 percent of eligible preschoolers.

**Underfunds child health.** The Bush budget freezes funding for the Maternal and Child Health Block Grant for Fiscal 2006 at this year's enacted level of \$724 million. When inflation is taken into account, this represents a cut in services. It also eliminates the universal newborn hearing screening program. In addition, it freezes funding for the CDC program for the prevention of birth defects and developmental disabilities.

**Leaves veterans behind.** There are more than 1.6 million women veterans, as well as millions of mothers and wives waiting for family members to come home. The President's budget raises health care costs for 2.2 million veterans, imposing new co-payments and enrollment fees that will cost veterans more than \$2 billion over five years. In fact, over five years, the budget for veterans' health care is \$15 billion below the amount needed to maintain services at current levels.

**Eliminates Justice Department program helping victims of human trafficking.** The Bush budget completely eliminates a \$24 million Justice Department program that assists victims of human trafficking.

